

Message Text

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PAGE 01 PORT L 00450 291016Z
ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-01
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FM AMEMBASSY PORT LOUIS
TO SECSTATE WASHDC 6669
INFO AMEMBASSY ANTANANARIVO
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C O N F I D E N T I A L PORT LOUIS 0450

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: PFOR PINT PGOV ECON MP
SUBJECT: MAURITIUS WEEKLY REVIEW - APRIL 29 (SUMMARY)

REF: PORT LOUIS 424

1. THE MAURITIAN URBAN ELECTORATE RETURNED A SPLIT DECISION IN THE APRIL 24 MUNICIPAL ELECTIONS. THE OPPOSITION MAURITIAN MILITANT MOVEMENT (MMM) WON CONTROL OF THREE TOWN COUNCILS, WHILE THE GOVERNING COALITION OF THE LABOR PARTY AND THE MAURITIAN SOCIAL DEMOCRATIC PARTY (PMSD) WON A MAJORITY IN THE OTHER TWO. EACH SIDE IS CLAIMING VICTORY BY EMPHASIZING A DIFFERENT ASPECT OF THE OUTCOME. THE COALITION SAYS IT DID BETTER IN THE TOWNS THAN IT DID IN THE DECEMBER PARLIAMENTARY ELECTIONS, AS THIS TIME IT WON EXACTLY HALF THE 126 MUNICIPAL COUNCIL SEATS, WHEREAS IN DECEMBER THE MMM TOOK A MAJORITY OF THE URBAN ASSEMBLY SEATS. THE MMM POINTS TO ITS HAVING WON
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PORT L 00450 291016Z

MORE THAN 50 PERCENT OF THE POPULAR VOTE, AND INTERPRETS THIS AS A REPUDIATION OF THE COALITION BY THE ELECTORATE. PMSD LEADER GAETAN DUVAL MADE HIS EXPECTED COMEBACK BY WINNING THE MAYORSHIP OF CUREPIPE, WHILE MMM SECRETARY GENERAL PAUL BERENGER FAILED TO WIN A SEAT IN QUATRE BORNES THOUGH HE HEADED THE MMM LIST THERE. SEVEN OTHER SITTING MMM MEMBERS OF THE ASSEMBLY WERE DEFEATED, BUT A LARGER

NUMBER OF MMM LUMINARIES WON SEATS. OVERALL THE MMM IMPROVED ON ITS DECEMBER PREFORMANCE AND MAINTAINED ITS MOMENTUM TOWARD EVENTUALLY TAKING CONTROL OF THE CENTRAL GOVERNMENT.

2. THE CONFRONTATION BETWEEN THE UNITED FRONT OF TRADE UNION ORGANIZATIONS AND THE LABOR MINISTER WAS POSTPONED A WEEK AFTER THE MINISTER DELAYED CALLING FOR A VOTE ON HIS PROPOSAL TO ABOLISH THE OBLIGATORY CHECK-OFF OF DUES BY EMPLOYERS. THE UNIONS ARE APPEALING TO THE PRIME MINISTER TO OVERRULE HIS MINISTER.

3. FINANCE MINISTER RINGADOO INTRODUCED THE BUDGET FOR THE COMING FISCAL YEAR IN THE ASSEMBLY ON APRIL 26. IT IS CLEARLY AN AUSTERITY BUDGET, AND THE MINISTER PREDICTED DIFFICULT FINANCIAL TIMES AHEAD, THOUGH HE DENIED THERE IS ANY "CRISIS." GOVERNMENT EXPENDITURES ARE TO BE REDUCED BY RS. 15 MILLION, BUT DESPITE THIS THE DEFICIT WILL GROW BECAUSE OF LOWER ANTICIPATED EARNINGS BY THE SUGAR INDUSTRY IN THE FACE OF DEPRESSED WORLD PRICES FOR SUGAR. RINGADOO THEREFORE PROPOSED ADDITIONAL TAXES, MAINLY INDIRECT, AMOUNTING TO RS. 130 MILLION EFFECTIVE JULY 1. THESE WILL RAISE THE PRICES OF A WHOLE HOST OF PRODUCTS, MAINLY LUXURIES BUT ALSO NECESSITIES SUCH AS SPARE PARTS, THE OPPOSITION MMM HAS STRONGLY CRITIZED THE BUDGET, CLAIMING THAT THE NEW TAXES WILL FALL MOST HEAVILY ON THE WORKERS, FOR WHOM NO WAGE INCREASES HAVE BEEN PROVIDED. THE MMM PREDICTS INCREASED INFLATION. THE PRIVATE SECTOR HAS GENERALLY WELCOMED RINGADOO'S BUDGET AS NECESSITATED BY THE CIRCUMSTANCES FACING THE COUNTRY'S ECONOMY.

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PAGE 03 PORT L 00450 291016Z

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Message Attributes

Automatic Decaptioning: X
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Concepts: POLITICAL SUMMARIES
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Sent Date: 29-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Review Release Date: n/a
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